

Message Text

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ORIGIN EB-11

INFO OCT-01 CCO-00 RSC-01 SS-15 FILE-01 SSO-00 ADP-00

NSC-10 AF-10 ARA-11 EA-11 EUR-25 NEA-10 CIAE-00

DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00 PA-03 PRS-01

USIA-12 OEP-01 GSA-01 INT-08 COME-00 TRSE-00 OMB-01

PCH-08 CIEP-02 (ADP) R

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P 152141 Z APR 73 ZFF5

FM SECSTATE WASHDC

TO ALL DIPLOMATIC AND CONSULAR POSTS PRIORITY

AMEMBASSY SUVA BY POUCH

AMCONSUL CURACAO BY POUCH

AMCONSUL MARTINIQUE BY POUCH

AMCONSUL PARAMARIBO BY POUCH

XMT AMEMBASSY ABU DHABI

USINT BAGHDAD

AMEMBASSY BATHURST

AMEMBASSY SUVA

AMCONSUL CURACAO

AMCONSUL MARTINIQUE

AMCONSUL PARAMARIBO

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TODEP 32 - ZFF HONG KONG ONLY

BEIRUT ALSO PASS BAGHDAD

KUWAIT ALSO PASS ABU DHABI & MUSCAT

DAKAR ALSO PASS BATHURST

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E. O. 11652: N/ A

TAGS: EIND, EMIN

SUBJECT: PRESIDENT' S MESSAGE TO CONGRESS ON STOCKPILE
POLICY

REF: STATE 48668

1. THE PRESIDENT ON APRIL 16 IS TRANSMITTING TO THE CONGRESS THE FOLLOWING MESSAGE, WITH DRAFT LEGISLATION TO AUTHORIZE DISPOSAL OF VARIOUS MATERIALS FROM NATIONAL STOCKPILE. THE PRESIDENT' S MESSAGE AND RELATED FACT SHEET (BEING SENT ALL POSTS BY SEPTEL) IS EMBARGOED FOR RELEASE UNTIL 12:00 NOON, EST, MONDAY, APRIL 16, 1973.

2. BEGIN TEXT. TO THE CONGRESS OF THE UNITED STATES:

3. IN OUR CURRENT FIGHT AGAINST RISING PRICES, ONE WEAPON WHICH HAS NOT YET BEEN EFFECTIVELY EMPLOYED IS OUR NATIONAL STRATEGIC STOCKPILE. TODAY I AM ASKING FOR AUTHORITY FROM THE CONGRESS TO SELL THOSE ITEMS IN THE STOCKPILE WHICH WE NO LONGER NEED TO KEEP IN RESERVE IN ORDER TO PROTECT OUR NATIONAL SECURITY.

4. BECAUSE THE WORLD ECONOMY HAS GROWN SO RAPIDLY, SHORT TERM DEMAND FOR MANY INDUSTRIAL COMMODITIES HAS OUTPACED SHORT TERM SUPPLIES. AS A RESULT, PRICES FOR INDUSTRIAL COMMODITIES HAVE RECENTLY BEEN INCREASING AT UNACCEPTABLY HIGH RATES -- IN SOME CASES BY MORE THAN 30 PERCENT IN THE PAST 12 MONTHS ALONE.

5. THESE INCREASES WILL EVENTUALLY BE FELT IN HIGHER PRICES FOR THE AMERICAN CONSUMER IF WE DO NOT ACT DECISIVELY NOW.

6. BY DISPOSING OF UNNEEDED ITEMS IN THE STRATEGIC STOCKPILE, WE CAN STRIKE A CRITICAL BLOW FOR THE AMERICAN CONSUMER.

7. THE PURPOSE OF THE AMERICAN STRATEGIC STOCKPILE IS TO ENSURE AN ADEQUATE RESERVE OF VITAL MATERIALS IN TIME OF WAR WITHOUT IMPOSING UNDUE HARDSHIPS ON OUR CIVILIAN POPULATION. THE BASIC CONCEPT IS AN OLD ONE, DATING BACK TO THE STRATEGIC AND CRITICAL MATERIALS STOCK PILING
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ACT OF 1946. NINETY- FIVE PERCENT OF THE CURRENT STOCK-PILE WAS ACQUIRED BEFORE 1959 -- THE BULK OF IT DURING THE KOREAN WAR.

8. THE PRESENT STRATEGIC STOCKPILE TOTALS 6.7 BILLION DOLLARS WORTH OF MATERIAL, RANGING FROM METALS, MINERALS, RUBBER AND INDUSTRIAL DIAMONDS TO UNUSUAL ITEMS SUCH AS IODINE.

9. BECAUSE OUR ECONOMY AND TECHNOLOGY ARE DYNAMIC, OUR CAPABILITY TO FIND SUBSTITUTES FOR SCARCE MATERIALS IS FAR GREATER TODAY THAN IN THE PAST. WE ARE NOW ABLE TO MEET DEFENSE REQUIREMENTS FOR MATERIALS DURING POSSIBLE MAJOR CONFLICTS WITHOUT IMPOSING AN EXCESSIVE BURDEN ON THE ECONOMY OR RELYING ON AN ENORMOUS STOCKPILE, AS WAS ONCE NECESSARY.

10. AFTER A CAREFUL AND SEARCHING REVIEW OF THE CURRENT STOCKPILE, I HAVE APPROVED NEW GUIDELINES THAT WOULD TAILOR THE KIND AND QUANTITY OF MATERIALS IN THE STOCKPILE TO THE NATIONAL SECURITY NEEDS OF THE 1970' S. THE NEW STOCKPILE WOULD BE SUBSTANTIALLY REDUCED, BUT IT WOULD CONTAIN THE CRITICAL MATERIALS THAT WE NEED IN QUANTITIES FULLY ADEQUATE FOR OUR NATIONAL SECURITY REQUIREMENTS.

11. OUR NEW GUIDELINES WOULD PROVIDE THE NEEDED COMMODITIES TO COVER OUR MATERIAL REQUIREMENTS FOR THE FIRST YEAR OF A MAJOR CONFLICT IN EUROPE AND ASIA. IN THE EVENT OF A LONGER CONFLICT, THESE 12 MONTHS WOULD GIVE US SUFFICIENT TIME TO MOBILIZE SO THAT WE COULD SUSTAIN OUR DEFENSE EFFORT AS LONG AS NECESSARY WITHOUT PLACING AN INTOLERABLE BURDEN ON THE ECONOMY OR THE CIVILIAN POPULATION.

12. UNDER EXISTING LAW, THE ADMINISTRATION HAS THE AUTHORITY TO SELL APPROXIMATELY 1.9 BILLION DOLLARS WORTH OF STOCKPILE MATERIAL, INCLUDING SUBSTANTIAL AMOUNTS OF ZINC, ALUMINUM AND LEAD. HOWEVER, TO DISPOSE OF THE REMAINING 4.1 BILLION DOLLARS IN UNNECESSARY ITEMS, CONGRESSIONAL AUTHORIZATION IS NEEDED.

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13. HISTORICALLY, THE SALE OF EACH COMMODITY HAS BEEN SUBJECT TO INDIVIDUAL LEGISLATION, BUT THIS PROCEDURE IS TIME- CONSUMING AND REDUNDANT. TO IMPROVE ON IT, THE AUTHORIZING LEGISLATION I AM RECOMMENDING TO THE CONGRESS

TAKES THE FORM OF A SINGLE OMNIBUS BILL FOR ALL EXCESS STOCKPILE COMMODITIES; IT INCLUDES INDIVIDUAL AUTHORIZATIONS FOR 16 MAJOR COMMODITIES.

14. AT THE SAME TIME THAT THEY FULLY PROVIDE FOR OUR NATIONAL SECURITY AND ECONOMIC HEALTH IN THE EVENT OF AN EMERGENCY, OUR NEW STOCKPILE GUIDELINES ALSO ENHANCE NATIONAL EFFICIENCY AND THRIFT. SPECIFICALLY, THEY WOULD PERMIT US TO SELL 6 BILLION DOLLARS IN NO LONGER NEEDED STOCKPILE MATERIAL OVER THE NEXT SEVERAL YEARS.

15. I URGE THE CONGRESS TO TAKE PROMPT AND FAVORABLE ACTION ON THE STOCKPILE LEGISLATION I AM SUBMITTING. BY DOING SO, THE CONGRESS WILL DEMONSTRATE ITS WILLINGNESS TO ACT IN POSITIVE COOPERATION WITH THE EXECUTIVE BRANCH IN A WAY THAT IS IN THE BEST INTERESTS OF ALL AMERICANS. RICHARD NIXON. THE WHITE HOUSE, APRIL 16, 1973. END TEXT.

16. FACT SHEET REFERRED TO IN PARA 1 ABOVE INCLUDES TABLE SHOWING CURRENT INVENTORY EACH STOCKPILE COMMODITY, SURPLUS ALREADY AUTHORIZED FOR DISPOSAL, NEW SURPLUS REQUIRING CONGRESSIONAL AUTHORIZATION, AND MATERIALS TO BE RETAINED UNDER NEW, LOWER OBJECTIVES. REGARDING THOSE MATERIALS WHERE GSA ALREADY HAS DISPOSAL AUTHORITY, GSA PLANS TO ACCELERATE PRESENT DISPOSAL PROGRAMS. CONSULTATIONS WITH COUNTRIES SUBSTANTIALLY AFFECTED BY THESE PROPOSALS WILL BEGIN ASAP. DEPARTMENT HAS IDENTIFIED TWENTY- SIX COUNTRIES IN THIS CATEGORY. SEPARATE TELEGRAM TO THESE COUNTRIES FOLLOWS WITH DETAILS. ROGERS

NOTE BY OC/ T: POUCHED ABOVE ADDRESSEES.

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